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General Assembly
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Information and communication technologies for development

Follow-up to the outcome of the Millennium Summit

Macroeconomic policy questions

Sustainable development and international economic cooperation

Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Social development, including questions relating to the world social situation and to youth, ageing, disabled persons and the family

Advancement of women

Measures to eliminate international terrorism

Security Council
Fifty-ninth year

Letter dated 9 February 2004 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

I have the honour to transmit to you the following documents adopted by the heads of State or Government of the States members of the South Asian Association for Regional Cooperation (SAARC) at the Twelfth SAARC Summit, held in Islamabad from 4 to 6 January 2004:

(a) Islamabad Declaration (see annex I);

(b) Social Charter of the South Asian Association for Regional Cooperation (see annex II);

(c) Agreement on South Asian Free Trade Area (SAFTA) (see annex III);

(d) Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism (see annex IV).

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I should be grateful if the present letter and its annexes were circulated as documents of the fifty-eighth session of the General Assembly, under items 49, 60, 91, 93, 98, 106, 110 and 156, and of the Security Council.

(*Signed*) Munir **Akram**
Permanent Representative

Annex I to the letter dated 9 February 2004 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

TWELFTH SAARC SUMMIT
ISLAMABAD
4-6 JANUARY 2004

ISLAMABAD DECLARATION

We, the Prime Minister of the People's Republic of Bangladesh, Begum Khaleda Zia, the Prime Minister of the Kingdom of Bhutan, Lyonpo Jigmi Yoezer Thinley, the Prime Minister of the Republic of India, Atal Behari Vajpayee, the President of the Republic of Maldives, Maumoon Abdul Gayoom, the Prime Minister of the Kingdom of Nepal, Surya Bahadur Thapa, the Prime of Minister of the Islamic Republic of Pakistan, Mir Zafarullah Khan Jamali and the President of the Democratic Socialist Republic of Sri Lanka, Chandrika Bandaranaike Kumaratunga:

Having met at the Twelfth Summit meeting of the South Asian Association for Regional Cooperation (SAARC) in Islamabad, Pakistan on 4-6 January 2004;

Guided by the vision of a peaceful and prosperous South Asia and proud of its rich culture and traditions;

Deeply conscious of the growing interdependence within and amongst nations and regions in an increasingly globalizing world;

Desirous of promoting peace, stability, amity and progress in the region through strict adherence to the principles of the United Nations Charter and Non-Alignment, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of the states and peaceful settlement of all disputes;

Reaffirming the centrality of SAARC for promoting regional cooperation and emphasizing the need to enhance its efficacy;

Strongly reaffirming our commitment to the objectives, principles and provisions of the Charter of the South Asian Association for Regional Cooperation (SAARC);

Declare that:

Regional Cooperation

Economic

1. We renew our commitment to the objectives and principles of SAARC and pledge to reinvigorate cooperation to realize peace, amity, progress and prosperity of all peoples of South Asia.

2. We affirm our determination to create an inclusive, just and equitable partnership for peace, development and prosperity. Satisfactory progress has been made in SAPTA. The signing of the Framework Agreement on SAFTA is a major milestone. It is important to maintain this momentum and move towards further broadening of economic cooperation and to ensure equitable distribution of benefits of trade and cater to the special needs of the small and LDC Member States by providing them special and differential treatment.

3. We reiterate our commitment made at the 11th SAARC Summit at Kathmandu in January 2002 for the creation of a South Asian Economic Union. In this context, we underline that creation of a suitable political and economic environment would be conducive to the realization of this objective.

4. A study on creating a South Asian Energy Cooperation including the concept of an Energy Ring should be undertaken by the Working Group on Energy.

5. For accelerated and balanced economic growth it is essential to strengthen transportation, transit and communication links across the region.

6. Public and private sector cooperation, particularly joint ventures holds great promise. It is important to move towards Project cooperation under SAARC. Prospects for setting up of a South Asian Development Bank should be examined by the SAARCFINANCE through the Council of Ministers.

7. Priority attention should also be given to the need for harmonization of standards, simplification of custom procedures, as well as cooperation among the central banks.

8. Development of tourism within South Asia could bring economic, social and cultural dividends. There is a need for increasing cooperation to jointly promote tourism within South Asia as well as to promote South Asia as a tourism destination inter alia by improved air links. To achieve this and to commemorate the twentieth year of the establishment of SAARC, the year 2005 is designated as "South Asia Tourism Year", for the success of which, each member would individually and jointly organize special events.

9. SAARC members should continue to safeguard their collective interests in multilateral forums by discussing, coordinating and exchanging information with a view to adopting common positions, where appropriate, on various issues.

Poverty Alleviation

10. We recognise poverty alleviation as the greatest challenge facing the peoples of South Asia and declare poverty alleviation as the overarching goal of all SAARC activities. It is, imperative to relate regional co-operation to the actual needs of the people.

11. Provision of basic needs, promotion of literacy, and better health care are a regional priority. It is important to undertake effective and sustained poverty reduction programmes through pro-poor growth strategies and other policy interventions with specific sectoral targets.

12. The Plan of Action on Poverty Alleviation, prepared by the meeting of Finance and Planning Ministers in Islamabad in 2002, is hereby approved.

13. The reconstituted Independent South Asian Commission for Poverty Alleviation (ISACPA) has done commendable work. An effective strategy should be devised to implement suggestions made in its Report "Our Future Our Responsibility". In this context, ISACPA should continue its advocacy role. It should prepare and submit to the next SAARC Summit a comprehensive and realistic blue-print setting out SAARC Development Goals for the next five years in the areas of poverty alleviation, education, health and environment giving due regard, among others, to the suggestions made in ISACPA report.

14. The SAARC Secretariat should periodically update and submit Regional Poverty Profiles.

15. SAARC should continue to collaborate with international organizations and UN agencies in the field of Poverty Alleviation. Arrangements for SAARC Food Security Reserves should be made more effective. We also recommend the establishment of a Regional Food Bank for which a concept paper should be prepared.

16. Investment in human resources is critical for future development of South Asia. It is, therefore, essential to establish a network of centres of higher learning, training and Skill Development Institutes (SDI's) across South Asia. In this context, the role of the SAARC Human Resource Development Centre (SHRDC) is important.

Science and Technology

17. Strengthening of scientific and technological co-operation across the region is fundamental to accelerating the pace of economic and social development. Sharing of scientific and technological expertise, joint research and development and industrial application of higher technology should be encouraged and facilitated.

Social

18. We hail the signing of the SAARC Social Charter as a historic development, which would have a far-reaching impact on the lives of millions of South Asians. Issues covered under the Charter such as poverty alleviation, population stabilization, empowerment of women, youth mobilization, human resource development, promotion of health and nutrition and protection of children are key to the welfare and well being of all South Asians.

19. Progress has been made in the constitution of SAARC Autonomous Advocacy Group of Prominent Women Personalities (SAWAG). To enable women to contribute to the socio-economic development, there is a need for SAARC to encourage women entrepreneurs in the region.

20. Member states should move towards an early ratification of the two Conventions on Child Welfare and Trafficking in Women and Children for Prostitution.

21. Easy and affordable health care, prevention and treatment of HIV/AIDS, Tuberculosis and other serious communicable diseases are priorities. The year 2004 is declared as the "SAARC Awareness Year". The SAARC Secretariat should effectively implement the proposed programmes on the observation of the SAARC Awareness year and develop a regional strategy through a consultative process and collaborate closely with the Joint UN Programme on HIV/AIDS (UNAIDS) and other international organizations and civil society.

22. The important initiative taken by Maldives in hosting the Emergency Meeting of the SAARC Health Ministers on SARS epidemic in Male on 29 April 2003 was a welcome development.

23. As agreed by the SAARC Health Ministers' Conference held recently in New Delhi, a SAARC Health Surveillance Center and a Rapid Deployment Health Response System should be set up to deal with the emerging and re-emerging diseases as well as to establish a network between various Institutions dealing with malaria and other vector borne diseases in the Member States. Also, documentation of traditional knowledge to safeguard Intellectual Property Rights (IPRs) in medicine needs attention.

24. The importance of cooperation in medical expertise and pharmaceuticals as well as in the field of traditional medicine requires elaboration of a SAARC Plan of Action that should be developed in the shortest possible time.

Cultural

25. We take pride in the rich cultural mosaic of the peoples of South Asia and underline the need for preservation of traditional skills and crafts and promotion of cultural exchanges between nations.

26. We welcome the establishment of a SAARC Cultural Centre in Kandy, which will serve as symbol of South Asian shared cultural heritage.

Environment

27. It is important to undertake and reinforce regional cooperation in the conservation of our water resources, environment, pollution prevention and control as well as our preparedness to deal with natural calamities. We welcome the early establishment of the Coastal Zone Management Centre in the Maldives.

28. The early and effective implementation of the SAARC Environment Plan of Action is important. We further stressed the early submission of the State of the Environment reports to expedite the preparation of SAARC State of Environment report and the commissioning of the work on drafting a Regional Environment Treaty.

Combating Terrorism

29. We condemn terrorist violence in all its forms and manifestations and note that people of South Asia continue to face a serious threat from terrorism.

30. We are convinced that terrorism, in all its forms and manifestations, is a challenge to all states and to all of humanity, and cannot be justified on any ground, whatsoever. Terrorism violates the fundamental values of the United Nations and the SAARC Charter and constitutes one of the most serious threats to international peace and security. We agree to fully implement the relevant international conventions to which we are parties.

31. We reaffirm our commitment to SAARC Regional Convention on Suppression of Terrorism, which, among others, recognizes the seriousness of the problem of terrorism as it affects the security, stability, and development of the region.

32. The signing of the Additional Protocol to the SAARC Regional Convention on Combating Terrorism to deal effectively with financing of terrorism is a further manifestation of our determination to eliminate all forms and manifestations of terrorism from South Asia.

SAARC Award

33. We welcome the institution of the SAARC Award on the basis of a concept paper drawn up by His Majesty's Government of Nepal and decide to present the Award during the Summits in future. The Award will honour and encourage outstanding individuals and organizations within the region in
the fields of peace, development, poverty alleviation, and in other areas of regional cooperation.

Information and Communications

34. We recognize the vital role that information and media can play in the promotion of peace, progress and harmony in South Asia. In this context, the initiatives for introducing regular 'SAARC Roundup' and 'SAARC News' programmes for telecast and broadcast on National TV and Radio channels, respectively in Member Countries is a welcome development. We agree to the establishment of a SAARC Information Center in Kathmandu.

35. SAARC should endeavour to bring the benefits of information and communications technology to all peoples of the region, bridging the digital divide and assist in the development of knowledge based societies.

SAARC Integrated Programme of Action (SIPA)

36. We note with satisfaction the progress achieved in regional cooperation through SIPA. The commitment to SIPA must be matched by a corresponding allocation of resources for it.

Sub-Regional Cooperation

37. We encourage the development of specific projects relevant to the individual needs of three or more Member States under the provisions Articles VII and X of the SAARC Charter.

Inter-Regional Cooperation

38. We express our determination to develop mutually beneficial links between SAARC and other regional and international organizations, bodies and entities and agree to establish dialogue partnership with other regional bodies and with states outside the region, interested in SAARC activities.

Enhancing Political Cooperation

39. We envision South Asia to be a peaceful and stable region where each nation is at peace with itself and its neighbours and where conflicts, differences and disputes are addressed through peaceful means and dialogue.

40. Reaffirm our pledge to promote good neighbourly relations on the basis of the principles of sovereign equality, territorial integrity and national independence, non-use of force, non-intervention and non-interference and peaceful settlement of disputes and recognize the importance of informal political consultations in promoting mutual understanding and reinforcing confidence building process among Member States.

Security of Small States

41. We are particularly mindful of the security concerns of small states that arise, inter alia, from their particular vulnerabilities, which should be firmly addressed by scrupulous adherence to the UN Charter, rules of international law and strict adherence to the universally accepted principles and norms related to sovereign rights and territorial integrity of all states. This should be ensured by all, both severally and collectively, through appropriate actions.

42. We endorse the recommendations made by the Council of Ministers at its Twenty-third and Twenty-fourth sessions.

Thirteenth SAARC Summit

43. We appreciate the offer the People's Republic of Bangladesh to host the Thirteenth SAARC Summit in January 2005.

Islamabad
6 January 2004.

Annex II to the letter dated 9 February 2004 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

SOCIAL CHARTER

of the

South Asian Association

for Regional Cooperation

SOCIAL CHARTER

Re-affirming that the principal goal of SAARC is to promote the welfare of the peoples of South Asia, to improve their quality of life, to accelerate economic growth, social progress and cultural development and to provide all individuals the opportunity to live in dignity and to realize their full potential.

Recognising that the countries of South Asia have been linked by age-old cultural, social and historical traditions and that these have enriched the interaction of ideas, values, cultures and philosophies among the people and the States and that these commonalities constitute solid foundations for regional cooperation for addressing more effectively the economic and social needs of people.

Recalling that all Member States attach high importance to the imperative of social development and economic growth and that their national legislative, executive and administrative frameworks provide, in varying degrees, for the progressive realization of social and economic goals, with specific provisions, where appropriate, for the principles of equity, affirmative action and public interest.

Observing that regional cooperation in the social sector has received the focused attention of the Member States and that specific areas such as health, nutrition, food security, safe drinking water and sanitation, population activities, and child development and rights along with gender equality, participation of women in development, welfare of the elderly people, youth mobilization and human resources development continue to remain on the agenda of regional cooperation.

Noting that high level meetings convened since the inception of SAARC on the subjects of children, women, human resettlements, sustainable developments, agriculture and food, poverty alleviation etc. have contributed immensely to the enrichment of the social agenda in the region and that several directives of the Heads of State or Government of SAARC Countries at their Summit meetings have imparted dynamism and urgency to adopting regional programmes to fully and effectively realize social goals.

Reiterating that the SAARC Charter and the SAARC Conventions, respectively on Narcotic Drugs and Psychotropic Substances, Preventing and Combating Trafficking in Women and Children for Prostitution, Regional Arrangements for the Promotion of Child Welfare in South Asia and the SAARC Agreement on Food Security Reserve provide regional frameworks for addressing specific social issues, which require concerted and coordinated actions and strategies for the effective realization of their objectives.

Realizing that the health of the population of the countries of the region is closely interlinked and can be sustained only by putting in place coordinated surveillance mechanisms and prevention and management strategies.

Noting, in particular, that Heads of State or Government of SAARC Countries, at their Tenth Summit in Colombo in July 1998, re-affirmed the need to develop, beyond national plans of action, a regional dimension of cooperation in the social sector and that the Eleventh SAARC Summit in Kathmandu in January 2002 directed that a SAARC Social Charter be concluded as early as possible.

Convinced that it was timely to develop a regional instrument which consolidated the multifarious commitments of SAARC Member States in the social sector and provided a practical platform for concerted, coherent and complementary action in determining social priorities, improving the structure and content of social policies and programmes, ensuring greater efficiency in the utilization of national, regional and external resources and in enhancing the equity and sustainability of social programmes and the quality of living conditions of their beneficiaries.

The Member States of the South Asian Association for Regional Cooperation hereby agree to adopt this Charter:

Article I

General Provisions

1. States Parties shall maintain a social policy and strategy in order to ensure an overall and balanced social development of their peoples. The salient features of individual social policy and programme shall be determined, taking into account the broader national development goals and specific historic and political contexts of each State Party.

2. States Parties agree that the obligations under the Social Charter shall be respected, protected and fulfilled without reservation and that the enforcement thereof at the national level shall be continuously reviewed through agreed regional arrangements and mechanisms.

3. States Parties shall establish a people-centered framework for social development to guide their work and in the future, to build a culture of cooperation and partnership and to respond to the immediate needs of those who are most affected by human distress. States Parties are determined to meet this challenge and promote social development throughout the region.

Article II

Principles, Goals and Objectives

1. The provisions made herein shall complement the national processes of policy-making, policy-implementation and policy-evaluation, while providing broad parameters and principles for addressing common social issues and developing and implementing result-oriented programmes in specific social areas.

2. In the light of the commitments made in this Charter, States Parties agree to:

   i. Place people at the center of development and direct their economies to meet human needs more effectively;

   ii. Fulfill the responsibility towards present and future generations by ensuring equity among generations, and protecting the integrity and sustainable use of the environment;

iii. Recognize that, while social development is a national responsibility, its successful achievement requires the collective commitment and cooperation of the international community;

iv. Integrate economic, cultural and social policies so that they become mutually supportive, and acknowledge the interdependence of public and private spheres of activity;

v. Recognize that the achievement of sustained social development requires sound, equitable and broad-based economic policies;

vi. Promote participatory governance, human dignity, social justice and solidarity at the national, regional and international levels;

vii. Ensure tolerance, non-violence, pluralism and non-discrimination in respect of diversity within and among societies;

viii. Promote the equitable distribution of income and greater access to resources through equity and equality of opportunity for all;

ix. Recognize the family as the basic unit of society, and acknowledge that it plays a key role in social development and as such should be strengthened, with attention to the rights, capabilities and responsibilities of its members including children, youth and the elderly;

x. Affirm that while State, society, community and family have obligations towards children, these must be viewed in the context of inculcating in children intrinsic and attendant sense of duty and set of values directed towards preserving and strengthening the family, community, society and nation;

xi. Ensure that disadvantaged, marginalized and vulnerable persons and groups are included in social development, and that society acknowledges and responds to the consequences of disability by securing the legal rights of the individual and by making the physical and social environment accessible;

xii. Promote universal respect for and observance and protection of human rights and fundamental freedoms for all, in particular the right to development; promote the effective exercise of rights and the discharge of responsibilities in a balanced manner at all levels of society; promote gender equity; promote the welfare and interest of children and youth; promote social integration and strengthen civil society;

xiii. Recognize the promotion of health as a regional objective and strive to enhance it by responding to urgent health issues and outbreak of any communicable disease in the region through sharing information with each other, imparting public health and curative skills to professionals in the region; and adopting a coordinated approach to health related issues in international fora;

xiv. Support progress and protect people and communities whereby every member of society is enabled to satisfy basic human needs and to realize his or her personal dignity, safety and creativity;

xv. Recognize and support people with diverse cultures, beliefs and traditions in their pursuit of economic and social development with full respect for their identity, traditions, forms of social organization and cultural values;

xvi. Underline the importance of transparent and accountable conduct of administration in public and private, national and international institutions;

xvii. Recognize that empowering people, particularly women, to strengthen their own capacities is an important objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions and sharing the results equitably;

xviii. Accept the universality of social development, and outline an effective approach to it, with a renewed call for international cooperation and partnership;

xix. Ensure that the elderly persons lead meaningful and fulfilling lives while enjoying all rights without discrimination and facilitate the creation of an environment in which they continue to utilize their knowledge, experience and skills;

xx. Recognize that information communication technology can help in fulfilling social development goals and emphasize the need to facilitate easy access to this technology;

xxi. Strengthen policies and programmes that improve, broaden and ensure the participation of women in all spheres of political, economic, social and cultural life, as equal partners, and improve their access to all resources needed for the full enjoyment of their fundamental freedoms and other entitlements.

ARTICLE III

Poverty Alleviation

1. States Parties affirm that highest priority shall be accorded to the alleviation of poverty in all South Asian countries. Recognising that South Asia's poor could constitute a huge and potential resource, provided their basic needs are met and they are mobilized to create economic growth, States Parties reaffirm that the poor should be empowered and irreversibly linked to the mainstream of development. They also agree to take appropriate measures to create income-generating activities for the poor.

2. Noting that a large number of the people remain below the poverty line, States Parties re-affirm their commitment to implement an assured nutritional standards approach towards the satisfaction of basic needs of the South Asian poor.

3. Noting the vital importance of biotechnology for the long-term food security of developing countries as well as for medicinal purposes, States Parties resolve that cooperation should be extended to the exchange of expertise in genetic conservation and maintenance of germplasm banks. They stress the importance of the role of training facilities in this area and agree that cooperation in the cataloguing of genetic resources in different SAARC countries would be mutually beneficial.

4. States Parties agree that access to basic education, adequate housing, safe drinking water and sanitation, and primary health care should be guaranteed in legislation, executive and administrative provisions, in addition to ensuring of adequate standard of living, including adequate shelter, food and clothing.

5. States Parties underline the imperative for providing a better habitat to the people of South Asia as part of addressing the problems of the homeless. They agree that each country share the experiences gained in their efforts to provide shelter, and exchange expertise for effectively alleviating the problem.

ARTICLE IV

Health

1. States Parties re-affirm that they will strive to protect and promote the health of the population in the region. Recognizing that it is not possible to achieve good health in any country without addressing the problems of primary health issues and communicable diseases in the region, the States Parties agree to share information regarding the outbreak of any communicable disease among their populations.

2. Conscious that considerable expertise has been built up within the SAARC countries on disease prevention, management and treatment, States Parties affirm their willingness to share knowledge and expertise with other countries in the region.

3. Noting that the capacity for manufacture of drugs and other chemicals exists in different countries, States Parties agree to share such capacity and products when sought by any other State Party.

4. Realizing that health issues are related to livelihood and trade issues which are influenced by international agreements and conventions, the States Parties agree to hold prior consultation on such issues and to make an effort to arrive at a coordinated stand on issues that relate to the health of their population.

5. States Parties also agree to strive at adopting regional standards on drugs and pharmaceutical products.

Article V

Education, Human Resource Development and Youth Mobilization

1. Deeply conscious that education is the cutting edge in the struggle against poverty and the promotion of development, States Parties re-affirm the importance of attaining the target

of providing free education to all children between the ages of 6 – 14 years. They agree to share their respective experiences and technical expertise to achieve this goal.

2. States Parties agree that broad-based growth should create productive employment opportunities for all groups of people, including young people.

3. States Parties agree to provide enhanced job opportunities for young people through increased investment in education and vocational training.

4. States Parties agree to provide adequate employment opportunities and leisure time activities for youth to make them economically and socially productive.

5. States Parties shall find ways and means to provide youth with access to education, create awareness on family planning, HIV/AIDS and other sexually-transmitted diseases, and risks of consumption of tobacco, alcohol and drugs.

6. States Parties stress the idealism of youth must be harnessed for regional cooperative programmes. They further stress the imperative of the resurgence of South Asian consciousness in the youth of each country through participation in the development programmes and through greater understanding and appreciation of each other's country. The Organized Volunteers Programme under which volunteers from one country would be able to work in other countries in the social fields shall be revitalized.

7. States Parties recognize that it is essential to promote increased cross-fertilization of ideas through greater interaction among students, scholars and academics in the SAARC countries. They express the resolve that a concerted programme of exchange of scholars among Member States should be strengthened.

Article VI

Promotion of the status of women

1. States Parties reaffirm their belief that discrimination against women is incompatible with human rights and dignity and with the welfare of the family and society; that it prevents women realizing their social and economic potential and their participation on equal terms with men, in the political, social, economic and cultural life of the country, and is a serious obstacle to the full development of their personality and in their contribution to the social and economic development of their countries.

2. States Parties agree that all appropriate measures shall be taken to educate public opinion and to direct national aspirations towards the eradication of prejudice and the abolition of customary and all other practices, which are based on discrimination against women. States Parties further declare that all forms of discrimination and violence against women are offences against human rights and dignity and that such offences must be prohibited through legislative, administrative and judicial actions.

3. States Parties shall take all appropriate measures to ensure to women on equal terms with men, an enabling environment for their effective participation in the local, regional and national development processes and for the enjoyment of their fundamental freedoms and legitimate entitlements.

4. States Parties also affirm the need to empower women through literacy and education recognizing the fact that such empowerment paves the way for faster economic and social development. They particularly stress the need to reduce, and eventually eliminate, the gender gap in literacy that currently exists in the SAARC nations, within a time-bound period.

5. States Parties re-affirm their commitment to effectively implement the SAARC Convention on Combating the Trafficking of Women and Children for Prostitution and to combat and suppress all forms of traffic in women and exploitation of women, including through the cooperation of appropriate sections of the civil society.

6. States Parties are of the firm view that at the regional level, mechanisms and institutions, to promote the advancement of women as an integral part of mainstream political, economic, social and cultural development be established.

Article VII

Promotion of the Rights and Well-being of the Child

1. States Parties are convinced that the child, by reason of his or her physical and mental dependence, needs special safeguards and care, including appropriate legal protection, before as well as after birth.

2. The child, for the full and harmonious development of his or her personality, should grow up in a family environment, in an atmosphere of happiness, love and understanding.

3. States Parties shall protect the child against all forms of abuse and exploitation prejudicial to any aspects of the child's well-being.

4. States Parties shall take necessary actions to implement effectively the SAARC Convention on Regional Arrangements for the Promotion of Child Welfare and to combat and suppress all offences against the person, dignity and the life of the child.

5. States Parties are resolved that the child shall enjoy special protection, and shall be given opportunities and facilities, by law and by other means, to enable him or her to develop its full potential physically, mentally, emotionally, morally, spiritually, socially and culturally in a healthy and normal manner and in conditions of freedom and dignity. The best interests and welfare of the child shall be the paramount consideration and the guiding principle in all matters involving his or her life.

6. States Parties agree to extend to the child all possible support from government, society and the community. The child shall be entitled to grow and develop in health with due protection. To this end, special services shall be provided for the child and its mother, including pre-natal, natal (especially delivery by trained birth attendant) and post-natal care, immunization, early childhood care, timely and appropriate nutrition, education and recreation. States Parties shall undertake specific steps to reduce low birth weight, malnutrition, anemia amongst women and children, infant, child and maternal morbidity and mortality rates, through the inter-generational life cycle approach, increase education, literacy, and skill development amongst adolescents and youth, especially of girls and elimination of child/early marriage.

7. States Parties shall take effective measures for the rehabilitation and re-integration of children in conflict with the law.

8. State Parties shall take appropriate measures for the re-habilitation of street children, orphaned, displaced and abandoned children, and children affected by armed conflict.

9. States Parties pledge that a physically, mentally, emotionally or socially disadvantaged child shall be given the special treatment, education and care required by his or her particular condition.

10. States Parties shall ensure that a child of tender years shall not, save in exceptional circumstances, be separated from his or her mother and that society and the public authorities shall be required to extend particular care to children without a family and to those without adequate means of support, including where desirable, provision of State and other assistance towards his or her maintenance.

11. States Parties shall take all appropriate measures, including legislative, administrative, social and educational measures, to protect children from the illicit use of narcotic drugs and psychotropic substances as defined in the relevant international treaties, and to prevent the use of children in the illicit production and trafficking of such substances. In this respect, States Parties shall expedite the implementation of the SAARC Convention on Narcotic Drugs and Psychotropic Substances at the national and regional levels.

Article VIII

Population Stabilisation

1. States Parties underscore the vital importance of enhanced cooperation in the social development and well-being of the people of South Asia. They agree that national programmes evolved through stakeholder partnership, with enhancement of allocation of requisite resources and well-coordinated regional programmes will contribute to a positive atmosphere for the development of a socially content, healthy and sustainable population in the region.

2. States Parties are of the view that population policies should provide for human-centered approach to population and development and aim towards human survival and well-being. In this regard, they affirm that national, local or provincial policies and strategies should aim to bring stabilization in the growth of population in each country, through voluntary sustainable family planning and contraceptive methods, which do not affect the health of women.

3. States Parties shall endeavour to inculcate a culture of self-contentment and regulation where unsustainable consumption and production patterns would have no place in the society and unsustainable population changes, internal migration resulting in excessive population concentration, homelessness, increasing poverty, unemployment, growing insecurity and violence, environmental degradation and increased vulnerability to disasters would be carefully, diligently and effectively managed.

4. States Parties shall take action to ensure reproductive health, reduction of maternal and infant mortality rates as also provision of adequate facilities to enable an infant to enjoy the warmth of love and support of his/her parents.

5. States Parties also agree to set up a SAARC Network of Focal Institutions on population activities for facilitating the sharing of information, experiences and resources within the region.

ARTICLE IX

Drug de-addiction, Rehabilitation and Reintegration

1. States Parties agree that regional cooperation should be enhanced through exchange of information, sharing of national experiences and common programmes in the specific areas, which should receive the priority consideration of the appropriate mechanisms both at the national and regional levels.

2. States Parties identify for intensive cooperation, the strengthening of legal systems to enhance collaboration in terms of financial investigation; asset forfeiture; money laundering; countering criminal conspiracies and organized crime; mutual legal assistance; controlled deliveries; extradition; the updating of laws and other relevant structures to meet the obligations of the SAARC Convention and other related international obligations, and developing of measures to counter drug trafficking through exchange of information; inter-country cooperation; controlled deliveries; strengthened SDOMD; regional training; frequent meetings at both policy and operational levels; strengthening the enforcement capabilities in the SAARC countries; enhanced control of production and use of licit drugs, and precursors and their essential chemicals.

3. Keeping in view the complementarities between demand reduction activities and supply control programmes, States Parties agree that all aspects of demand reduction, supply control, de-addiction and rehabilitation should be addressed by regional mechanisms.

ARTICLE X

Implementation

1. The implementation of the Social Charter shall be facilitated by a National Coordination Committee or any appropriate national mechanism as may be decided in each country. Information on such mechanism will be exchanged between States Parties through the SAARC Secretariat. Appropriate SAARC bodies shall review the implementation of the Social Charter at the regional level.

2. Member States shall formulate a national plan of action or modify the existing one, if any, in order to operationalise the provisions of the Social Charter. This shall be done through a transparent and broad-based participatory process. Stakeholder approach shall also be followed in respect of implementation and evaluation of the programmes under National Plans of Action.

ARTICLE XI

Entry into force

The Social Charter shall come into force upon the signature thereof by all States Parties.

ARTICLE XII

Amendment

The Social Charter may be amended through agreement among all States Parties.

IN FAITH WHEREOF We Have Set Our Hands And Seals Hereunto.

DONE In **ISLAMABAD, PAKISTAN,** On This The Fourth Day Of January Of The Year Two Thousand Four, In Nine Originals, In The English Language, All Texts Being Equally Authentic.

Begum Khaleda Zia
PRIME MINISTER OF THE PEOPLE'S
REPUBLIC OF BANGLADESH

Maumoon Abdul Gayoom
PRESIDENT OF THE
REPUBLIC OF MALDIVES

Jigmi Yoezer Thinley
PRIME MINISTER OF THE
KINGDOM OF BHUTAN

Surya Bahadur Thapa
PRIME MINISTER OF THE
KINGDOM OF NEPAL

Atal Behari Vajpayee
PRIME MINISTER OF THE
REPUBLIC OF INDIA

Mir Zafarullah Khan Jamali
PRIME MINISTER OF THE
ISLAMIC REPUBLIC OF PAKISTAN

Chandrika Bandaranaike Kumaratunga
PRESIDENT OF THE DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA

Annex III to the letter dated 9 February 2004 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

AGREEMENT
ON
SOUTH ASIAN FREE TRADE AREA (SAFTA)

The Governments of the SAARC (South Asian Association for Regional Cooperation) Member States comprising the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, the Republic of Maldives, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka hereinafter referred to as "Contracting States"

Motivated by the commitment to strengthen intra-SAARC economic cooperation to maximise the realization of the region's potential for trade and development for the benefit of their people, in a spirit of mutual accommodation, with full respect for the principles of sovereign equality, independence and territorial integrity of all States;

Noting that the Agreement on SAARC Preferential Trading Arrangement (SAPTA) signed in Dhaka on the 11th of April 1993 provides for the adoption of various instruments of trade liberalization on a preferential basis;

Convinced that preferential trading arrangements among SAARC Member States will act as a stimulus to the strengthening of national and SAARC economic resilience, and the development of the national economies of the Contracting States by expanding investment and production opportunities, trade, and foreign exchange earnings as well as the development of economic and technological cooperation;

Aware that a number of regions are entering into such arrangements to enhance trade through the free movement of goods;

Recognizing that Least Developed Countries in the region need to be accorded special and differential treatment commensurate with their development needs; and

Recognizing that it is necessary to progress beyond a Preferential Trading Arrangement to move towards higher levels of trade and economic cooperation in the region by removing barriers to cross-border flow of goods;

Have agreed as follows:

Article – 1

Definitions

For the purposes of this Agreement:

1. **Concessions** mean tariff, para-tariff and non-tariff concessions agreed under the Trade Liberalisation Programme;

2. **Direct Trade Measures** mean measures conducive to promoting mutual trade of Contracting States such as long and medium-term contracts containing import and supply commitments in respect of specific products, buy-back arrangements, state trading operations, and government and public procurement;

3. **Least Developed Contracting State** refers to a Contracting State which is designated as a "Least Developed Country" by the United Nations;

4. **Margin of Preference** means percentage of tariff by which tariffs are reduced on products imported from one Contracting State to another as a result of preferential treatment.

5. **Non-Tariff Measures** include any measure, regulation, or practice, other than "tariffs" and "para-tariffs".

6. **Para-Tariffs** mean border charges and fees, other than "tariffs", on foreign trade transactions of a tariff-like effect which are levied solely on imports, but not those indirect taxes and charges, which are levied in the same manner on like domestic products. Import charges corresponding to specific services rendered are not considered as para-tariff measures;

7. **Products** mean all products including manufactures and commodities in their raw, semi-processed and processed forms;

8. **SAPTA** means Agreement on SAARC Preferential Trading Arrangement signed in Dhaka on the 11th of April 1993;

9. **Serious injury** means a significant impairment of the domestic industry of like or directly competitive products due to a surge in preferential imports causing substantial losses in terms of earnings, production or employment unsustainable in the short term;

10. **Tariffs** mean customs duties included in the national tariff schedules of the Contracting States;

11. **Threat of serious injury** means a situation in which a substantial increase of preferential imports is of a nature to cause "serious injury" to domestic producers, and that such injury, although not yet existing, is clearly imminent. A determination of threat of serious injury shall be based on facts and not on mere allegation, conjecture, or remote or hypothetical possibility.

Article – 2

Establishment

The Contracting States hereby establish the South Asian Free Trade Area (SAFTA) to promote and enhance mutual trade and economic cooperation among the Contracting States, through exchanging concessions in accordance with this Agreement.

Article – 3

Objectives and Principles

1. The Objectives of this Agreement are to promote and enhance mutual trade and economic cooperation among Contracting States by, inter-alia:

   a) eliminating barriers to trade in, and facilitating the cross-border movement of goods between the territories of the Contracting States;

   b) promoting conditions of fair competition in the free trade area, and ensuring equitable benefits to all Contracting States, taking into account their respective levels and pattern of economic development;

   c) creating effective mechanism for the implementation and application of this Agreement, for its joint administration and for the resolution of disputes; and

d) establishing a framework for further regional cooperation to expand and enhance the mutual benefits of this Agreement.

2. SAFTA shall be governed in accordance with the following principles:

a) SAFTA will be governed by the provisions of this Agreement and also by the rules, regulations, decisions, understandings and protocols to be agreed upon within its framework by the Contracting States;

b) The Contracting States affirm their existing rights and obligations with respect to each other under Marrakesh Agreement Establishing the World Trade Organization and other Treaties/Agreements to which such Contracting States are signatories;

c) SAFTA shall be based and applied on the principles of overall reciprocity and mutuality of advantages in such a way as to benefit equitably all Contracting States, taking into account their respective levels of economic and industrial development, the pattern of their external trade and tariff policies and systems;

d) SAFTA shall involve the free movement of goods, between countries through, inter alia, the elimination of tariffs, para tariffs and non-tariff restrictions on the movement of goods, and any other equivalent measures;

e) SAFTA shall entail adoption of trade facilitation and other measures, and the progressive harmonization of legislations by the Contracting States in the relevant areas; and

f) The special needs of the Least Developed Contracting States shall be clearly recognized by adopting concrete preferential measures in their favour on a non-reciprocal basis.

Article – 4

Instruments

The SAFTA Agreement will be implemented through the following instruments:-

1. Trade Liberalisation Programme
2. Rules of Origin
3. Institutional Arrangements
4. Consultations and Dispute Settlement Procedures
5. Safeguard Measures
6. Any other instrument that may be agreed upon.

Article – 5

National Treatment

Each Contracting State shall accord national treatment to the products of other Contracting States in accordance with the provisions of Article III of GATT 1994.

Article – 6

Components

SAFTA may, inter-alia, consist of arrangements relating to:

a) tariffs;
b) para-tariffs;
c) non-tariff measures;
d) direct trade measures.

Article – 7

Trade Liberalisation Programme

1. Contracting States agree to the following schedule of tariff reductions:

   a) The tariff reduction by the Non-Least Developed Contracting States from existing tariff rates to 20% shall be done within a time frame of 2 years, from the date of coming into force of the Agreement. Contracting States are encouraged to adopt reductions in equal annual installments. If actual tariff rates after the coming into force of the Agreement are below 20%, there shall be an annual reduction on a Margin of Preference basis of 10% on actual tariff rates for each of the two years.

   b) The tariff reduction by the Least Developed Contracting States from existing tariff rates will be to 30% within the time frame of 2 years from the date of coming into force of the Agreement. If actual tariff rates on the date of coming into force of the Agreement are below 30%, there will be an annual reduction on a Margin of Preference basis of 5 % on actual tariff rates for each of the two years.

   c) The subsequent tariff reduction by Non-Least Developed Contracting States from 20% or below to 0-5% shall be done within a second time frame of 5 years, beginning from the third year from the date of coming into force of the Agreement. However, the period of subsequent tariff reduction by Sri Lanka shall be six years. Contracting States are encouraged to adopt reductions in equal annual installments, but not less than 15% annually.

   d) The subsequent tariff reduction by the Least Developed Contracting States from 30% or below to 0-5% shall be done within a second time frame of 8 years beginning from the third year from the date of coming into force of the Agreement. The Least Developed Contracting States are encouraged to adopt reductions in equal annual installments, not less than 10% annually.

2. The above schedules of tariff reductions will not prevent Contracting States from immediately reducing their tariffs to 0-5% or from following an accelerated schedule of tariff reduction.

3. a) Contracting States may not apply the Trade Liberalisation Programme as in paragraph 1 above, to the tariff lines included in the Sensitive Lists which shall be negotiated by the Contracting States (for LDCs and Non-LDCs) and incorporated in this Agreement as an integral part. The number of products in the Sensitive Lists shall be subject to maximum ceiling to be mutually agreed among the Contracting States with flexibility to Least Developed Contracting States to seek derogation in respect of the products of their export interest; and

   b) The Sensitive List shall be reviewed after every four years or earlier as may be decided by SAFTA Ministerial Council (SMC), established under Article 10, with a view to reducing the number of items in the Sensitive List.

4. The Contracting States shall notify the SAARC Secretariat all non-tariff and para-tariff measures to their trade on an annual basis. The notified measures shall be reviewed by the Committee of Experts, established under Article 10, in its regular meetings to examine their compatibility with relevant WTO provisions. The Committee of Experts shall recommend the elimination or implementation of the measure in the least trade restrictive manner in order to facilitate intra-SAARC trade[1].

5. Contracting Parties shall eliminate all quantitative restrictions, except otherwise permitted under GATT 1994, in respect of products included in the Trade Liberalisation Programme.

6. Notwithstanding the provisions contained in paragraph 1 of this Article, the Non-Least Developed Contracting States shall reduce their tariff to 0-5% for the products of Least Developed Contracting States within a timeframe of three years beginning from the date of coming into force of the Agreement.

Article – 8

Additional Measures

Contracting States agree to consider, in addition to the measures set out in Article 7, the adoption of trade facilitation and other measures to support and complement SAFTA for mutual benefit. These may include, among others: -

a) harmonization of standards, reciprocal recognition of tests and accreditation of testing laboratories of Contracting States and certification of products;
b) simplification and harmonization of customs clearance procedure;
c) harmonization of national customs classification based on HS coding system;
d) Customs cooperation to resolve dispute at customs entry points;
e) simplification and harmonization of import licensing and registration procedures;
f) simplification of banking procedures for import financing;
g) transit facilities for efficient intra-SAARC trade, especially for the land-locked Contracting States;
h) removal of barriers to intra-SAARC investments;
i) macroeconomic consultations;
j) rules for fair competition and the promotion of venture capital;
k) development of communication systems and transport infrastructure;
l) making exceptions to their foreign exchange restrictions, if any, relating to payments for products under the SAFTA scheme, as well as repatriation of such payments without prejudice to their rights under Article XVIII of the General Agreement on Tariffs and Trade (GATT) and the relevant provisions of Articles of Treaty of the International Monetary Fund (IMF); and
m) Simplification of procedures for business visas.

Article – 9

Extension of Negotiated Concessions

Concessions agreed to, other than those made exclusively to the Least Developed Contracting States, shall be extended unconditionally to all Contracting States.

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[1]The initial notification shall be made within three months from the date of coming into force of the Agreement and the COE shall review the notification in its first meeting and take appropriate decisions.

Article – 10

Institutional Arrangements

1. The Contracting States hereby establish the SAFTA Ministerial Council (hereinafter referred to as SMC).

2. The SMC shall be the highest decision-making body of SAFTA and shall be responsible for the administration and implementation of this Agreement and all decisions and arrangements made within its legal framework.

3. The SMC shall consist of the Ministers of Commerce/Trade of the Contracting States.

4. The SMC shall meet at least once every year or more often as and when considered necessary by the Contracting States. Each Contracting State shall chair the SMC for a period of one year on rotational basis in alphabetical order.

5. The SMC shall be supported by a Committee of Experts (hereinafter referred to as COE), with one nominee from each Contracting State at the level of a Senior Economic Official, with expertise in trade matters.

6. The COE shall monitor, review and facilitate implementation of the provisions of this Agreement and undertake any task assigned to it by the SMC. The COE shall submit its report to SMC every six months.

7. The COE will also act as Dispute Settlement Body under this Agreement.

8. The COE shall meet at least once every six months or more often as and when considered necessary by the Contracting States. Each Contracting State shall chair the COE for a period of one year on rotational basis in alphabetical order.

9. The SAARC Secretariat shall provide secretarial support to the SMC and COE in the discharge of their functions.

10. The SMC and COE will adopt their own rules of procedure.

Article – 11

Special and Differential Treatment for the Least Developed Contracting States

In addition to other provisions of this Agreement, all Contracting States shall provide special and more favorable treatment exclusively to the Least Developed Contracting States as set out in the following sub-paragraphs:

a) The Contracting States shall give special regard to the situation of the Least Developed Contracting States when considering the application of anti-dumping and/or countervailing measures. In this regard, the Contracting States shall provide an opportunity to Least Developed Contracting States for consultations. The Contracting States shall, to the extent practical, favourably consider accepting price undertakings offered by exporters from Least Developed Contracting States. These constructive remedies shall be available until the trade liberalisation programme has been completed by all Contracting States.

b) Greater flexibility in continuation of quantitative or other restrictions provisionally and without discrimination in critical circumstances by the Least Developed Contracting States on imports from other Contracting States.

c) Contracting States shall also consider, where practical, taking direct trade measures with a view to enhancing sustainable exports from Least Developed Contracting States, such as long and medium-term contracts containing import and supply commitments in respect of specific products, buy-back arrangements, state trading operations, and government and public procurement.

d) Special consideration shall be given by Contracting States to requests from Least Developed Contracting States for technical assistance and cooperation arrangements designed to assist them in expanding their trade with other Contracting States and in taking advantage of the potential benefits of SAFTA. A list of possible areas for such technical assistance shall be negotiated by the Contracting States and incorporated in this Agreement as an integral part.

e) The Contracting States recognize that the Least Developed Contracting States may face loss of customs revenue due to the implementation of the Trade Liberalisation Programme under this Agreement. Until alternative domestic arrangements are formulated to address this situation, the Contracting States agree to establish an appropriate mechanism to compensate the Least Developed Contracting States for their loss of customs revenue. This mechanism and its rules and regulations shall be established prior to the commencement of the Trade Liberalisation Programme (TLP).

Article – 12

Special Provision for Maldives

Notwithstanding the potential or actual graduation of Maldives from the status of a Least Developed Country, it shall be accorded in this Agreement and in any subsequent contractual undertakings thereof treatment no less favourable than that provided for the Least Developed Contracting States.

Article – 13

Non-application

Notwithstanding the measures as set out in this Agreement its provisions shall not apply in relation to preferences already granted or to be granted by any Contracting State to other Contracting States outside the framework of this Agreement, and to third countries through bilateral, plurilateral and multilateral trade agreements and similar arrangements.

Article – 14

General Exceptions

a) Nothing in this Agreement shall be construed to prevent any Contracting State from taking action and adopting measures which it considers necessary for the protection of its national security.

b) Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the similar conditions prevail, or a disguised restriction on intra-regional trade, nothing in this Agreement shall be construed to prevent any Contracting State from taking action and adopting measures which it considers necessary for the protection of :

(i) public morals;
(ii) human, animal or plant life and health; and
(iii) articles of artistic, historic and archaeological value.

Article – 15

Balance of Payments Measures

1. Notwithstanding the provisions of this Agreement, any Contracting State facing serious balance of payments difficulties may suspend provisionally the concessions extended under this Agreement.

2. Any such measure taken pursuant to paragraph 1 of this Article shall be immediately notified to the Committee of Experts.

3. The Committee of Experts shall periodically review the measures taken pursuant to paragraph 1 of this Article.

4. Any Contracting State which takes action pursuant to paragraph 1 of this Article shall afford, upon request from any other Contracting State, adequate opportunities for consultations with a view to preserving the stability of concessions under SAFTA.

5. If no satisfactory adjustment is effected between the Contracting States concerned within 30 days of the beginning of such consultations, to be extended by another 30 days through mutual consent, the matter may be referred to the Committee of Experts.

6. Any such measures taken pursuant to paragraph 1 of this Article shall be phased out soon after the Committee of Experts comes to the conclusion that the balance of payments situation of the Contracting State concerned has improved.

Article – 16

Safeguard Measures

1. If any product, which is the subject of a concession under this Agreement, is imported into the territory of a Contracting State in such a manner or in such quantities as to cause, or threaten to cause, serious injury to producers of like or directly competitive products in the importing Contracting State, the importing Contracting State may, pursuant to an investigation by the competent authorities of that Contracting State conducted in accordance with the provisions set out in this Article, suspend temporarily the concessions granted under the provisions of this Agreement. The examination of the impact on the domestic industry concerned shall include an evaluation of all other relevant economic factors and indices having a bearing on the state of the domestic industry of the product and a causal relationship must be clearly established between "serious injury" and imports from within the SAARC region, to the exclusion of all such other factors.

2. Such suspension shall only be for such time and to the extent as may be necessary to prevent or remedy such injury and in no case, will such suspension be for duration of more than 3 years.

3. No safeguard measure shall be applied again by a Contracting State to the import of a product which has been subject to such a measure during the period of implementation of Trade Liberalization Programme by the Contracting States, for a period of time equal to that during which such measure had been previously applied, provided that the period of non-application is at least two years.

4. All investigation procedures for resorting to safeguard measures under this Article shall be consistent with Article XIX of GATT 1994 and WTO Agreement on Safeguards

5. Safeguard action under this Article shall be non-discriminatory and applicable to the product imported from all other Contracting States subject to the provisions of paragraph 8 of this Article.

6. When safeguard provisions are used in accordance with this Article, the Contracting State invoking such measures shall immediately notify the exporting Contracting State(s) and the Committee of Experts.

7. In critical circumstances where delay would cause damage which it would be difficult to repair, a Contracting State may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The duration of the provisional measure shall not exceed 200 days, during this period the pertinent requirements of this Article shall be met.

8. Notwithstanding any of the provisions of this Article, safeguard measures under this article shall not be applied against a product originating in a Least Developed Contracting State as long as its share of imports of the product concerned in the importing Contracting State does not exceed 5 per cent, provided Least Developed Contracting States with less than 5% import share collectively account for not more than 15% of total imports of the product concerned.

Article – 17

Maintenance of the Value of Concessions

Any of the concessions agreed upon under this Agreement shall not be diminished or nullified, by the application of any measures restricting trade by the Contracting States, except under the provisions of other articles of this Agreement.

Article – 18

Rules of Origin

Rules of Origin shall be negotiated by the Contracting States and incorporated in this Agreement as an integral part.

Article – 19

Consultations

1. Each Contracting State shall accord sympathetic consideration to and will afford adequate opportunity for consultations regarding representations made by another Contracting State with respect to any matter affecting the operation of this Agreement.

2. The Committee of Experts may, at the request of a Contracting State, consult with any Contracting State in respect of any matter for which it has not been possible to find a satisfactory solution through consultations under paragraph 1.

Article – 20

Dispute Settlement Mechanism

1. Any dispute that may arise among the Contracting States regarding the interpretation and application of the provisions of this Agreement or any instrument adopted within its framework concerning the rights and obligations of the Contracting States will be amicably settled among the parties concerned through a process initiated by a request for bilateral consultations.

2. Any Contracting State may request consultations in accordance with paragraph 1 of this Article with other Contracting State in writing stating the reasons for the request including identification of the measures at issue. All such requests should be notified to the Committee of Experts, through the SAARC Secretariat with an indication of the legal basis for the complaint.

3. If a request for consultations is made pursuant to this Article, the Contracting State to which the request is made shall, unless otherwise mutually agreed, reply to the request within 15 days after the date of its receipt and shall enter into consultations in good faith within a period of no more than 30 days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution.

4. If the Contracting State does not respond within 15 days after the date of receipt of the request, or does not enter into consultations within a period of no more than 30 days, or a period otherwise mutually agreed, after the date of receipt of the request, then the Contracting State that requested the holding of consultations may proceed to request the Committee of Experts to settle the dispute in accordance with working procedures to be drawn up by the Committee.

5. Consultations shall be confidential, and without prejudice to the rights of any Contracting State in any further proceedings.

6. If the consultations fail to settle a dispute within 30 days after the date of receipt of the request for consultations, to be extended by a further period of 30 days through mutual consent, the complaining Contracting State may request the Committee of Experts to settle the dispute. The complaining Contracting State may request the Committee of Experts to settle the dispute during the 60-day period if the consulting Contracting States jointly consider that consultations have failed to settle the dispute.

7. The Committee of Experts shall promptly investigate the matter referred to it and make recommendations on the matter within a period of 60 days from the date of referral.

8. The Committee of Experts may request a specialist from a Contracting State not party to the dispute selected from a panel of specialists to be established by the Committee within one year from the date of entry into force of the Agreement for peer review of the matter referred to it. Such review shall be submitted to the Committee within a period of 30 days from the date of referral of the matter to the specialist.

9. Any Contracting State, which is a party to the dispute, may appeal the recommendations of the Committee of Experts to the SMC. The SMC shall review the matter within the period of 60 days from date of submission of request for appeal. The SMC may uphold, modify or reverse the recommendations of the Committee of Experts.

10. Where the Committee of Experts or SMC concludes that the measure subject to dispute is inconsistent with any of the provisions of this Agreement, it shall recommend that the Contracting State concerned bring the measure into conformity with this Agreement. In addition to its recommendations, the Committee of Experts or SMC may suggest ways in which the Contracting State concerned could implement the recommendations.

11. The Contracting State to which the Committee's or SMC's recommendations are addressed shall within 30 days from the date of adoption of the recommendations by the Committee or SMC, inform the Committee of Experts of its intentions regarding implementation of the recommendations. Should the said Contracting State fail to implement the recommendations within 90 days from the date of adoption of the recommendations by the Committee, the Committee of Experts may authorize other interested Contracting States to withdraw concessions having trade effects equivalent to those of the measure in dispute.

Article – 21

Withdrawal

1. Any Contracting State may withdraw from this Agreement at any time after its entry into force. Such withdrawal shall be effective on expiry of six months from the date on which a written notice thereof is received by the Secretary-General of SAARC, the depositary of this Agreement. That Contracting State shall simultaneously inform the Committee of Experts of the action it has taken.

2. The rights and obligations of a Contracting State which has withdrawn from this Agreement shall cease to apply as of that effective date.

3. Following the withdrawal by any Contracting State, the Committee shall meet within 30 days to consider action subsequent to withdrawal.

Article – 22

Entry into Force

1. This Agreement shall enter into force on 1st January 2006 upon completion of formalities, including ratification by all Contracting States and issuance of a notification thereof by the SAARC Secretariat. This Agreement shall supercede the Agreement on SAARC Preferential Trading Arrangement (SAPTA).

2. Notwithstanding the supercession of SAPTA by this Agreement, the concessions granted under the SAPTA Framework shall remain available to the Contracting States until the completion of the Trade Liberalisation Programme.

Article – 23

Reservations

This Agreement shall not be signed with reservations, nor will reservations be admitted at the time of notification to the SAARC Secretariat of the completion of formalities.

Article – 24

Amendments

This Agreement may be amended by consensus in the SAFTA Ministerial Council. Any such amendment will become effective upon the deposit of instruments of acceptance with the Secretary General of SAARC by all Contracting States.

Article – 25

Depository

This Agreement will be deposited with the Secretary General of SAARC, who will promptly furnish a certified copy thereof to each Contracting State.

IN WITNESS WHEREOF the undersigned being duly authorized thereto by their respective Governments have signed this Agreement.

DONE in ISLAMABAD, PAKISTAN, On This The Sixth Day Of the Year Two Thousand Four, In Nine Originals In The English Language All Texts Being Equally Authentic.

M. MORSHED KHAN
Minister for Foreign Affairs
People's Republic of Bangladesh

NADO RINCHHEN
Officiating Minister for
Foreign Affairs
Kingdom of Bhutan

YASHWANT SINHA
Minister of External Affairs
Republic of India

FATHULLA JAMEEL
Minister of Foreign Affairs
Republic of Maldives

DR. BHEKH B. THAPA
Ambassador-at-large
for Foreign Affairs
Majesty's Government of Nepal

KHURSHID M. KASURI
Minister of Foreign Affairs
Islamic Republic of Pakistan

TYRONNE FERNANDO
Minister of Foreign Affairs
Democratic Socialist Republic of Sri Lanka

Annex IV to the letter dated 9 February 2004 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General

ADDITIONAL PROTOCOL TO THE SAARC REGIONAL CONVENTION ON SUPPRESSION OF TERRORISM

THE MEMBER STATES OF THE SOUTH ASIAN ASSOCIATION FOR REGIONAL CO-OPERATION (SAARC)

MINDFUL of the purposes and the principles of co-operation enshrined in the SAARC Charter and the Charter of the United Nations;

RECALLING the Declaration of the Eleventh SAARC Summit adopted at Kathmandu on 6th January 2002;

FURTHER RECALLING that, at the Eleventh SAARC Summit, the Heads of State or Government, reiterated their support to the United Nations Security Council Resolution 1373 of September 28, 2001 and affirmed their determination to re-double efforts collectively as well as individually, to prevent and suppress terrorism in all its forms and manifestations, including, by increased co-operation and full implementation of the relevant international conventions relating to terrorism to which they are parties and called on all Member States, inter-alia, to prevent and suppress the financing of terrorist acts by criminalizing the provision, acquisition and collection of funds for such acts;

BEARING IN MIND the decision of the SAARC Council of Ministers at its Twenty Third Session in Kathmandu on 22nd August, 2002, wherein the Council mandated the preparation of an Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism, recognizing the importance of updating the Convention, in order to meet the obligations devolving in terms of Security Council Resolution 1373 (2001);

HAVE AGREED as follows:

Article 1
Objectives and Purposes

The purpose of this Additional Protocol is to strengthen the SAARC Regional Convention on Suppression of Terrorism, particularly by criminalizing the provision, collection or acquisition of funds for the purpose of committing terrorist acts and taking further measures to prevent and suppress financing of such acts. Towards this end, State Parties agree to adopt necessary measures to strengthen co-operation among them, in accordance with the terms of this Additional Protocol.

Article 2
Relationship to SAARC Convention

This Additional Protocol supplements the SAARC Regional Convention on Suppression of Terrorism, done at Kathmandu on 4th November, 1987 (hereinafter referred to as the "1987 SAARC Convention"). The 1987 SAARC Convention and this Additional Protocol shall be read and interpreted together as a single instrument.

Article 3
Definitions

1. "Funds" mean assets of every kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including, but not limited to, bank credits, travelers cheques, bank cheques, money orders, shares, securities, bonds, drafts and letters of credit.

2. "Proceeds" mean any funds derived from or obtained, directly or indirectly, through the commission of an offence set forth in Article 4.

Article 4
Offences

1. Any person commits an offence within the meaning of this Additional Protocol if that person by any means, directly or indirectly, unlawfully and willfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out :

(a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the Annex to this Protocol; or

(b) Any other act intended to cause death or serious bodily injury to a civilian, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a Government or an international organization to do or to abstain from doing any act; or

(c) An offence within the scope of any Convention to which SAARC Member States concerned are parties and which obliges the parties to prosecute or grant extradition.

2. (a) On depositing its instrument of ratification, acceptance, approval or accession, a State Party which is not a party to a treaty listed in the annex may declare that, in the application of this Convention to the State Party, the treaty shall be deemed not to be included in the annex referred to in paragraph 1, subparagraph (a). The declaration shall cease to have effect as soon as the treaty enters into force for the State Party, which shall notify the depositary of this fact;

(b) When a State Party ceases to be a party to a treaty listed in the annex, it may make a declaration as provided for in this article, with respect to that treaty.

3. For an act to constitute an offence set forth in paragraph 1, it shall not be necessary that the funds were actually used to carry out an offence referred to in paragraph 1, subparagraph (a) or (b).

4. Any person also commits an offence if that person attempts to commit an offence as set forth in paragraph 1 of this article.

5. Any person also commits an offence if that person:

(a) Participates as an accomplice in an offence as set forth in paragraph 1 or 4 of this article;

(b) Organizes or directs others to commit an offence as set forth in paragraph 1 or 4 of this article;

(c) Contributes to the commission of one or more offences as set forth in paragraph 1 or 4 of this article by a group of persons acting with a common purpose. Such contribution shall be intentional and shall either:

i. be made with the aim of furthering the criminal activity or criminal purpose of the group, where such activity or purpose involves the commission of an offence as set forth in paragraph 1 of this article; or

ii. be made in the knowledge of the intention of the group to commit an offence as set forth in paragraph 1 of this article.

Article 5
Domestic Measures

States Parties, in accordance with the provisions of their respective Constitutions, shall endeavour to become Parties to the international instruments listed in the Annex to which they are not yet a Party.

Article 6
Liability of legal entities

1. Each State Party, in accordance with its domestic legal principles, shall take the necessary measures to enable a legal entity located in its territory or organized under its laws to be held liable when a person responsible for the management or control of that legal entity has, in that capacity, committed an offence as set forth in Article 4. Such liability may be criminal, civil or administrative.

2. Such liability is incurred without prejudice to the criminal liability of an individual or individuals who have committed the offences.

3. Each State Party shall ensure, in particular, that legal entities liable in accordance with paragraph 1 above are subject to effective, proportionate and dissuasive criminal, civil or administrative sanctions. Such sanctions may include monetary sanctions.

Article 7
Measures to prevent, suppress and eradicate the financing of terrorism

1. State Parties shall consider and take all practical measures at the national level, inter-alia by adapting their domestic legislation to prevent, suppress and eradicate the financing of terrorism, and for effective international cooperation with respect thereto including:

a) A comprehensive domestic regulatory and supervisory regime for banks, other financial institutions and other entities deemed particularly susceptible to being used for the financing of terrorist activities. This regime shall require banks and other financial institutions and other entities to utilize effective measures for the identification of customers, paying special attention to unusual or suspicious transactions and to report promptly to the Competent Authorities, all complex, unusual large transactions and unusual patterns of transactions, which have no apparent economic or obviously lawful purpose;

b) Measures to detect and monitor movements across national borders, of cash, bearer negotiable instruments and other appropriate movements of value. These measures shall be subject to safeguards to ensure proper use of information and should not impede legitimate capital movements;

c) Measures of assistance in connection with criminal investigations or criminal proceedings relating to the financing or support of any act constituting an offence within the scope of the international instruments listed in Article 4 of this Additional Protocol, including assistance in obtaining evidence in their possession, necessary for the proceedings; and

d) Establishing and monitoring channels of communication between their competent agencies and services to facilitate the secure and rapid exchange of information concerning all aspects of offences set forth in Article 4, within the conditions prescribed by domestic law.

2. Towards facilitating the above, each State Party shall consider measures to establish and maintain a financial intelligence unit to serve as a national center for the collection, analysis and dissemination of pertinent money laundering and terrorist financing information.

Article 8
Seizure and confiscation of funds or other assets

1. Each State Party shall take appropriate measures, in accordance with its domestic legal principles, for the identification, detection and freezing or seizure of any funds used or allocated for the purpose of committing the offences set forth in Article 4 as well as the proceeds derived from such offences, for purposes of possible forfeiture.

2. Each State Party shall take appropriate measures, in accordance with its domestic legal principles, for the forfeiture of funds used or allocated for the purpose of committing the offences set forth in Article 4 and the proceeds derived from such offences.

3. Each State Party concerned may give consideration to concluding agreements on the sharing with other State Parties, on a regular or case-by-case basis, of the funds derived from the forfeiture referred to in this Article.

4. The provisions of this Article shall be implemented without prejudice to the rights of third parties acting in good faith.

5. The measures referred to in paragraph 1 shall apply with respect to offences committed both within and outside the jurisdiction of a State Party.

Article 9
Predicate offences to money laundering

1. State Parties shall take the necessary measures to ensure that its domestic money laundering legislation also includes as predicate offences those offences set forth in Article 4 of this Additional Protocol.

2. Money laundering predicate offences referred to in paragraph 1, shall include those committed both within and outside the jurisdiction of a State Party.

Article 10
Co-operation on immigration and customs controls

1. States Parties, consistent with their respective domestic legal and administrative regimes, shall promote co-operation and the exchange of information in order to improve immigration and customs control measures to detect and prevent the international movement of terrorists and their accomplices and trafficking in arms, narcotics and psychotropic substances or other materials intended to support terrorist activities.

2. To this end, they shall promote co-operation and the exchange of information to improve their controls on the issuance of travel and identify documents and to prevent their counterfeiting, forgery, or fraudulent use.

3. Such co-operation shall be carried out without prejudice to applicable international commitments in relation to the free movement of people and the facilitation of commerce.

Article 11
Co-operation among law enforcement authorities

States Parties shall work closely with one another, consistent with the respective domestic legal and administrative systems, to enhance the effectiveness of law enforcement action for the prevention, suppression and prosecution of the offences set forth in Article 4.

Article 12
Mutual legal assistance

The provisions of Article VIII of the 1987 SAARC Convention relating to Mutual Legal Assistance shall apply, mutatis mutandis, in respect of the offences set forth in Article 4 of this Additional Protocol.

Article 13
Extradition

1. The provisions of Article III of the 1987 SAARC Convention shall apply, mutatis mutandis, in respect of the offences set forth in Article 4 of this Additional Protocol.

2. The provisions of Article IV of the 1987 SAARC Convention relating to the duty to extradite or prosecute shall apply, mutatis mutandis, in respect of the offences set forth in Article 4 of this Additional Protocol.

Article 14
Exclusion of Fiscal Offence exception

None of the offences set forth in Article 4 shall be regarded, for the purpose of extradition or mutual legal assistance, as a fiscal offence. Accordingly, State Parties may not refuse a request for extradition or for mutual legal assistance on the sole ground that it concerns a fiscal offence.

Article 15
Exclusion of political offence exception

For the purpose of extradition or mutual legal assistance, none of the offences established in the international instruments set forth in Article 4, shall be regarded as a political offence or an offence connected with a political offence or an offence inspired by political motives. Accordingly, a request for extradition or mutual assistance may not be refused on the sole ground that it concerns a political offence or an offence connected with a political offence or an offence inspired by political motives.

Article 16
Denial of refugee status

Each State Party shall take appropriate measures, consistent with the relevant provisions of national and international law, for the purpose of ensuring that refugee status is not granted to any person in respect of whom there are serious reasons for considering that he or she has committed an offence set forth in Article 4 of this Additional Protocol.

Article 17
Non-discrimination

None of the provisions of this Additional Protocol shall be interpreted as imposing an obligation to extradite or to provide mutual legal assistance, if the requested State Party has substantial grounds to believe that the request to extradite or to provide mutual legal assistance, has been made for the purpose of prosecuting or punishing a person on account of that person's race, religion, nationality, ethnic origin or political opinion, or that compliance with the request would cause prejudice to that person's position for any of these reasons.

Article 18
Principles of Sovereign Equality and Territorial Integrity

1. State Parties shall carry out their obligations under this Additional Protocol in a manner consistent with the principles of sovereign equality and territorial integrity of states and that of non-intervention in the domestic affairs of other states.

2. Nothing in this Additional Protocol entitles a State Party to undertake in the territory of another State Party exercise of jurisdiction or performance of functions that are exclusively reserved for the authorities of that other State Party by its domestic law.

Article 19
Rights and Obligations under International Law

Nothing in this Additional Protocol shall be interpreted as affecting other rights and obligations and responsibilities of States and individuals under international law, in particular, the purposes and principles of the Charter of the United Nations, international humanitarian law, and international human rights law.

Article 20
Technical Co-operation

State Parties shall promote, where appropriate, technical co-operation and training programmes with other regional and international organizations conducting activities related to the objectives and purposes of this Additional Protocol.

Article 21
Consultations

State Parties shall hold periodic consultations, as appropriate, with a view to facilitating:

(a) The effective implementation of this Additional Protocol; and
(b) The exchange of information and experiences on effective means and methods to prevent, detect, investigate and punish offences within the scope of the Additional Protocol.

Article 22
Signature and ratification

This Additional Protocol is open for signature by all Member States of SAARC at the SAARC Secretariat in Kathmandu. It shall be subject to ratification. Instruments of Ratification shall be deposited with the Secretary-General of SAARC.

Article 23
Entry into Force

The Additional Protocol shall enter into force on the thirtieth day following the date of deposit of the seventh Instrument of Ratification with the Secretary-General of SAARC.

Article 24
Depositary

The Secretary-General of SAARC shall be the depositary of this Additional Protocol and shall notify Member States of signatures to this Additional Protocol and all deposits of Instruments of Ratification. The Secretary-General shall transmit certified copies of such instruments to each Member State. The Secretary-General shall also inform Member States of the date on which this Additional Protocol will have entered into force in accordance with Article 23.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments have signed this Additional Protocol.

DONE in ISLAMABAD, PAKISTAN, On This The Sixth Day of January Of the Year Two Thousand Four, In Nine Originals, In The English Language, All Texts Being Equally Authentic.

M. MORSHED KHAN
Minister for Foreign Affairs
People's Republic of Bangladesh

NADO RINCHHEN
Officiating Minister for
Foreign Affairs
Kingdom of Bhutan

YASHWANT SINHA
Minister of External Affairs
Republic of India

FATHULLA JAMEEL
Minister of Foreign Affairs
Republic of Maldives

DR. BHEKH B. THAPA
Ambassador-at-large
for Foreign Affairs
His Majesty's Government of Nepal

KHURSHID M. KASURI
Minister of Foreign Affairs
Islamic Republic of Pakistan

TYRONNE FERNANDO
Minister of Foreign Affairs
Democratic Socialist Republic of Sri Lanka

ANNEX

a) Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970.

b) Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971.

c) Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, approved by the General Assembly of the United Nations on 14 December 1973.

d) International Convention against the Taking of Hostages, adopted by the General Assembly of the United Nations on 17 December 1979.

e) Convention on the Physical Protection of Nuclear Material, signed at Vienna on 3 March 1980.

f) Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 24 February 1988.

g) Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, done at Rome on 10 March 1988.

h) Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf, done at Rome on 10 March 1988.

i) International Convention for the Suppression of Terrorist Bombings, approved by the General Assembly of the United Nations on 15 December 1997.

j) International Convention for the Suppression of the Financing of Terrorism, approved by the General Assembly of the United Nations on 9 December 1999.